

# **Local Government Health Insurance Board**



## **Functional Analysis & Records Disposition Authority**

**Presented to the  
State Records Commission  
April 27, 2016**

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# Functional and Organizational Analysis of the Local Government Health Insurance Board

## Sources of Information

- Representatives of the Local Government Health Insurance Board
- Code of Alabama 1975 § 11-91A-1 through § 11-91A-10
- Code of Alabama 1975 § 41-20-1 through § 41-20-16
- Alabama Government Manual
- Audit Report of the Local Government Health Insurance Board
- Local Government Health Insurance Board Website ([www.lghip.org](http://www.lghip.org))

## Historical Context

Alabama Legislative Act 2014-401 established the Local Government Health Insurance Board (LGHIB) in 2015. Its current operating authority can be found in the Code of Alabama 1975 § 11-91A-1, *et seq.*

## Agency Organization

The LGHIB was empowered by the legislature to administer a health insurance plan for municipal and county employees. The nine-member board is composed of the three members representing municipal government, three members representing county government, one member who is a retired employee participating in the Local Government Health Insurance Plan (LGHIP), one member who is an active employee participating in the LGHIP, and one member who is either an active or retired employee participating in the LGHIP but not employed by or retired from a county or municipality.

The LGHIB is an agency of the State of Alabama and is responsible for various aspects of the administration of the LGHIP.

## Agency Function and Subfunctions

The mandated function of the Alabama State Board of Chiropractic Examiners is to regulate the practice of chiropractic and to enforce chiropractic laws in the state. The board is one of the agencies primarily involved in carrying out the Regulatory function of Alabama government. In the performance of its mandated functions, the board may engage in the following subfunctions:

- **Promulgating Rules and Regulations.** The Code of Alabama 1975 § 11-91A-7 authorizes the board to promulgate rules and regulations required for the administration of various health insurance plans for local government employees and eligible residents in Alabama.

- **Developing and Administering Health Insurance Plans.** In accordance with the Code of Alabama 1975 § 11-91A-2, the board is authorized to establish a health insurance plan for eligible employees, dependents, and retirees of participating local government units. The Local Government Health Insurance Plan is a self-insured, group health insurance program funded from the premiums of the participants. The plan provides a reasonable relationship between benefits provided and claims expected to be paid. The statutes governing the board require that the health insurance plan must also include controls to prevent unnecessary utilization of covered services and provide assurance of future stability.
- **Implementing the Worksite Wellness Program.** The State Employees' Insurance Board and the Department of Public Health jointly developed and implemented a worksite wellness program for state employees in 1993. Local government employees began participating in 2012. The program provides or sponsors the following services: health screening activities, which include blood pressure, glucose and cholesterol evaluations; flu, pneumonia and tetanus vaccinations; and National Employee Health and Fitness Day.
- **Educating.** Employees with internet availability can access LGHIB's online educational services.
- **Administering Internal Operations.** A significant portion of the agency's work includes general administrative, financial, and personnel activities performed to support its programmatic areas, including:

**Managing the Agency:** Activities include internal office management activities common to most government agencies such as corresponding and communicating, scheduling, meeting, documenting policies and procedures, reporting, litigating, legislating (drafting, lobbying, tracking), publicizing and providing information, managing records, and managing information systems and technology.

**Managing Finances:** Activities include budgeting (preparing and reviewing budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting in the audit process.

**Managing Human Resources:** Activities include recruiting and hiring eligible individuals to fill positions within the agency; providing compensation to employees; providing benefits to employees such as leave, health insurance, unemployment compensation, worker's compensation, injury compensation, retirement, and death benefits; supervising employees by evaluating performance, granting leave, and

monitoring the accumulation of leave; training and providing continuing education for employees; and disciplining.

**Managing Properties, Facilities, and Resources:** Activities include inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; constructing buildings and facilities; leasing and/or renting offices or facilities; providing security for property owned by the agency; insuring property; and assigning, inspecting and maintaining agency property, including vehicles.

# **Analysis of Record Keeping System and Records Appraisal of the Local Government Health Insurance Board**

## **Agency Record Keeping System**

The board currently operates a hybrid record keeping system composed of electronic records and paper files.

**Computer Systems:** The agency's computer system consists of a Wide Area Network (WAN) that is composed of servers, personal computers (PC) and other electronic peripherals. The agency has many servers with the latest operating systems. These servers provide file sharing, database, and printing services to the agency's Local Area Network (LAN). The LAN also consists of servers, personal computers, and laptops running the latest operating systems. The servers are backed up daily. The personal computers and laptops are backed up weekly.

**Paper-based Systems:** Staff members create and maintain records in paper form.

The agency maintains a website at [www.lghip.org](http://www.lghip.org). Information on the website includes health insurance guidelines and benefits, forms, the administrative procedures guide, and information on the wellness program. All information is also available in paper format.

## **Records Appraisal**

The following is a discussion of the two major categories of records created and/or maintained by the Local Government Health Insurance Board: Temporary Records and Permanent Records.

**I. Temporary Records.** Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal and administrative requirements have been met. Some of the temporary records created by the board are discussed below:

- **Local Government Health Insurance Enrollment Files.** These files are created to document employees' enrollment in various health insurance programs. Included are health insurance enrollment forms, membership status change forms, declination of coverage forms, refund request forms, and copies of supporting documents. They must be kept for 7 years after separation of employee from the local government unit if the employee does not have 10 or more years of service (vested interest). The recommended retention for employees who are vested is 75 years after date of creation. The retention is based on the fact that local government employees (active or separated) are eligible for enrolling in the health insurance as long as they wish. The long retention would be sufficient to cover the average life span of an individual employee after separation.

**II. Permanent Records.** The Government Services Division recommends the following records as permanent.

### **Promulgating Rules and Regulations**

- **Meeting Minutes of the Local Government Health Insurance Board.** These records document rules and regulations developed by the board and should be retained permanently. **(Bibliographic Title: Local Government Health Insurance Board Meeting Minutes)**

### **Developing and Administering Health Insurance Plans**

- **Health Insurance Administrative Procedures Guides.** These guides contain general information on a particular health insurance plan and benefits, eligibility for participation, enrollment instructions, termination of coverage, billing procedures, and all necessary blank forms (enrollment form, membership status change form, declination of coverage form, and request for refund). This series reflects courses of action which the board has adopted to carry out its responsibilities. **(Bibliographic Title: Health Insurance Administrative Procedures Guides)**

### **Implementing the Worksite Wellness Program**

- **Worksite Wellness Program Statistical Graphs and Summaries.** The board staff compiles periodic statistical graphs and aggregate summaries for the results of the annual worksite wellness program screening and the quarterly blood pressure checks. These records are used for presentation to the board's adjunct medical advisory board for feedback and suggestions. This series possesses information which might be useful for tracking the impact of the program on local government employees. Disposition calls for these records to be retained in office.

### **Educating**

- **Informational and Promotional Publications.** The board publishes and compiles publications to promote and advertise various services and events performed for the covered members. This includes, but is not limited to, brochures, and other materials issued in print that are distributed for informational purposes. **(Bibliographic Title: State Publications)**
- **Website and Social Media Site(s).** The board maintains a website at: [www.lghip.org](http://www.lghip.org). (ADAH staff capture and preserve the agency's website and other social media sites via a service offered by the Internet Archive [Archive It]. Any content behind password protected or login would not be captured by ADAH. Check with the ADAH website at [www.archiveit.org/organizations/62](http://www.archiveit.org/organizations/62) to ensure you agency and social media site(s) are captured and preserved. If your agency's website and social media site(s) are not captured by the service, please contact the Government Services Division at 334-242-4452 to get them included.) **(Bibliographic Title: Website and Social Media Site[s])**

## **Administering Internal Operations**

- **Administrative Correspondence.** These records consist of policy-related correspondence, and related files, by board members or senior administrative staff. They reflect decisions or deliberations on policies and procedures related to the board and its administration of the LGHIB and local government employees' health insurance program. **(Bibliographic Title: Administrative Correspondence)**
- **Annual Reports.** The board creates an annual narrative and financial report describing its activities during the year. The report provides summary documentation of the board's functions, projects, and activities during the year, as well as an ongoing agency history. They offer primary documentation of the board's fulfillment of its statutory mandates. **(Biblio-graphic Title: State Publications)**



# **Permanent Records List**

## **Local Government Health Insurance Board**

### **Promulgating Rules and Regulations**

1. Meeting Minutes of the Local Government Health Insurance Board

### **Developing and Administering Health Insurance Plans**

1. Health Insurance Administrative Procedures Guides

### **Implementing the Worksite Wellness Program**

1. Worksite Wellness Program Statistical Graphs and Summaries\*

### **Educating**

1. Informational and Promotional Publications
2. Website and Social Media Sites

### **Administering Internal Operations**

1. Administrative Correspondence
2. Annual Reports

\*indicates records that ADAH anticipates will remain in the care and custody of the creating agency.

ADAH staff members are available to work with agency staff in determining the best location and storage conditions for the long-term care and maintenance of permanent records.

# **Local Government Health Insurance Board Records Disposition Authority**

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975 § 41-13-5 and § 41-13-20 through 21. It was compiled by the Government Services Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with representatives of the Local Government Health Insurance Board (LGHIB). The RDA lists records created and maintained by the LGHIB in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the board to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from “mutilation, loss, or destruction,” so that they may be transferred to an official’s successor in office and made available to members of the public. Records must also be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975 § 36-12-2, § 36-12-4, and § 41-5-23). For assistance in implementing this RDA or for advice on records disposition or other records management concerns, contact the ADAH Government Services Division at (334) 242-4452 or [records@archives.alabama.gov](mailto:records@archives.alabama.gov).

## **Explanation of Records Requirements**

This RDA shall govern the disposition of all records, regardless of format, created by the agency from its creation to dissolution. It supersedes any previous records disposition requirements governing the retention of the Local Government Health Insurance Board’s records. Copies of superseded schedules are no longer valid and should be discarded.

The RDA establishes retention and disposition instructions for records regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.

Certain other record-like materials are not actually regarded as official records and may be disposed of under this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records, which are temporary records created for short-term internal purposes that may include, but are not limited to: telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for informational purposes but not needed by the receiving office for future business; and internal communications about social activities; and (5)

honorary materials, plaques, awards, presentations, certificates, and gifts received or maintained by the agency staff. They may be disposed of without documentation of destruction.

## **Records Disposition Requirements**

This section of the RDA is arranged by subfunctions of the Local Government Health Insurance Board and lists the groups of records created and/or maintained by the board in carrying out these subfunctions. The board may submit requests to revise specific record disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

### **Promulgating Rules and Regulations**

#### **MEETING MINUTES OF THE LOCAL GOVERNMENT HEALTH INSURANCE BOARD**

Disposition: PERMANENT RECORD.

#### **Recordings of Minutes**

Disposition: Temporary Record. Retain until the official minutes are adopted and signed.

### **Developing and Administering Health Insurance Plans**

#### **HEALTH INSURANCE ADMINISTRATIVE PROCEDURES GUIDES**

Disposition: PERMANENT RECORD.

#### **Local Government Employees' Health Insurance Enrollment Files**

- a. Records of employees who have not vested  
Disposition: Temporary Record. Retain 7 years after separation of employee from the local government unit.
- b. Records of employees who have vested  
Disposition: Temporary Record. Retain 75 years after date of creation.

#### **Health Insurance Plan Contracts**

Disposition: Temporary Record. Retain 7 years after expiration of the contract.

**HIPAA related documentation such as, but not limited to, individual authorizations, designations of personal representatives, documentation relating to individual rights under HIPAA (e.g., notices that deny access to PHI, notices that deny amendments to PHI, disclosures of PHI for which a person is entitled to an accounting), individual complaints regarding HIPAA compliance, disclosure logs, business associate agreements, and HIPAA training materials and attendance logs**

Disposition: Temporary Record. Retain for 6 years from the date of creation or the date last in effect, whichever is longer.

## **Implementing the Worksite Wellness Program**

### **WORKSITE WELLNESS PROGRAM STATISTICAL GRAPHS AND SUMMARIES**

Disposition: PERMANENT RECORD.

### **Worksite Wellness Program Health Screening Forms**

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

## **Educating**

### **INFORMATIONAL AND PROMOTIONAL PUBLICATIONS**

Disposition: PERMANENT RECORD.

### **Monthly Health Insurance Utilization Management Reports**

Disposition: Temporary Record. Retain 1 year after audit.

### **WEBSITE AND SOCIAL MEDIA SITE(S)**

Disposition: PERMANENT RECORD.

*(ADAH staff capture and preserve the agency's website and other social media sites via a service offered by the Internet Archive [Archive It]. Any content behind password protected or login would not be captured by ADAH. Check with the ADAH website at [www.archiveit.org/organizations/62](http://www.archiveit.org/organizations/62) to ensure you agency and social media site(s) are captured and preserved. If your agency's website and social media site(s) are not captured by the service, please contact the Government Services Division at 334-242-4452 to get them included.)*

## **Administering Internal Operations: Managing the Agency**

### **ADMINISTRATIVE CORRESPONDENCE**

Disposition: PERMANENT RECORD.

### **Routine Correspondence/Memoranda**

Disposition: Temporary Record. Retain 3 years.

### **Administrative Reference Files**

Disposition: Temporary Record. Retain for useful life.

### **ANNUAL REPORTS**

Disposition: PERMANENT RECORD.

### **Mailing Lists**

Disposition: Temporary Record. Retain for useful life.

**Records documenting the implementation of the board's approved RDA (copies of transmittal form to the Archives and the State Records Center, evidence of obsolete records destroyed, and annual reports to the State Records Commission)**

Disposition: Temporary Record. Retain 1 year after audit.

#### **Copies of RDA**

Disposition: Temporary Record. Retain 1 year after audit in the year in which the RDA superseded.

**Computer systems documentation (hardware/software manuals and diskettes, warranties, records access/authorities, file naming conventions)**

Disposition: Temporary Record. Retain documentation of former system 1 year after audit in the year in which the former hardware and software no longer exists anywhere in the board and the permanent records have been migrated into a new system.

### **Administering Internal Operations: Managing Finances**

**Records documenting the preparation of a budget package and reporting the status of funds, requesting amendments of allotments, and reporting program performance**

Disposition: Temporary Record. Retain 1 year after audit.

**Records documenting the requisitioning and purchasing of supplies and equipment, receipting or invoicing for goods, and authorizing payment for products**

Disposition: Temporary Record. Retain 1 year after audit.

**Records of original entry or routine accounting transactions, such as journals, registers, ledgers, or funds deposited outside the state treasury**

Disposition: Temporary Record. 1 year after audit.

**Records documenting requests for authorization from supervisors to travel on official business either within or outside the state, and other related materials, such as travel reimbursement forms or itineraries**

Disposition: Temporary Record. Retain 1 year after audit.

**Records documenting contracts for services or personal property**

Disposition: Temporary Record. Retain 6 years after expiration of the contract.

**Records documenting the bid process, including requests for proposals and unsuccessful responses**

- a. Original bid records maintained in the purchasing office of the agency for contracts over \$15,000

Disposition: Temporary Record. Retain 7 years after the end of the fiscal year in which the bids were opened.

- b. Duplicate copies of bid (originals are maintained by the Division of Purchasing, Department of Finance)  
Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

#### **Audit Reports**

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

### **Administering Internal Operations: Managing Human Resources**

#### **Job Recruitment Materials**

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

#### **Position Classification Files**

Disposition: Temporary Record. Retain 4 years after position is reclassified.

#### **Application Materials**

Disposition: Temporary Record. Retain 2 years.

#### **Records documenting payroll (e.g. pre-payroll reports, payroll check registers)**

Disposition: Temporary Record. Retain 1 year after audit.

#### **Records documenting payroll deduction authorizations**

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

#### **Records documenting payroll deductions for tax purposes (including Form 941)**

Disposition: Temporary Record. Retain 1 year after audit.

#### **Records documenting an employee's work history, generally maintained as a case file**

Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

#### **Records documenting employees' daily and weekly work schedules**

Disposition: Temporary Record. Retain 1 year after audit.

#### **Records documenting employee disciplinary actions (reprimands, demotions, transfers, termination, appeals, and administrative hearings)**

Disposition: Temporary Record. Retain 3 years following decision.

#### **Records documenting an employee's hours worked, leave earned, and leave taken (including time sheets)**

Disposition: Temporary Record. Retain 1 year after audit.

**Records documenting sick leave donations**

Disposition: Temporary Record. Retain 1 year after audit.

**Equal Employment Opportunity Commission Case Files**

Disposition: Temporary Record. Retain 3 years.

**Employee Flexible Benefits Plan Files**

- a. General information

Disposition: Temporary Record. Retain until superseded.

- b. Other records (applications, correspondence)

Disposition: Temporary Record. Retain 6 years after termination of participation in program.

**Administering Internal Operations: Managing Properties, Facilities, and Resources****SEMIANNUAL INVENTORY LISTS**

Disposition: PERMANENT RECORD. Retain in office (Code of Alabama 1975 § 36-16-8[1]).

**Transfer of State Property Forms (SD-1) (Agency copies)**

Disposition: Temporary Record. Retain 1 year after audit.

**Property Inventory Cards and/or Computer Files**

Disposition: Temporary Record. Retain 1 year after audit.

**Receipts of Responsibility for Property**

Disposition: Temporary Record. Retain until return of item to property manager.

**Real Property Leasing/Rental Records**

Disposition: Temporary Record. Retain 6 years after expiration of the lease.

**Facilities/Building Security Records (including visitor logs)**

- a. Recorded information that does not become part of a case file

Disposition: Temporary Record. Retain 6 months.

- b. Recorded information that becomes part of a case file.

Disposition: Temporary Record. Retain until final disposition of all cases for which recording provides evidence.

**Insurance Policies/Risk Management Records**

Disposition: Temporary Record. Retain 6 years after termination of policy or membership.

**Building Maintenance Work Orders**

Disposition: Temporary Record. Retain 1 year.



# **Requirement and Recommendations for Implementing the Records Disposition Authority (RDA)**

## **Requirement**

Under the Code of Alabama 1975 § 41-13-21, “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Local Government Health Insurance Board as stipulated in this document.

One condition of this authorization is that the board submit an annual Records Disposition Authority (RDA) Implementation Report on its records management activities, including documentation of records destruction, to the State Records Commission in April of each year.

## **Recommendations**

In addition, the Local Government Health Insurance Board should make every effort to establish and maintain a quality record-keeping program through the following activities:

The board should designate a managerial position as its records liaison. This position is responsible for ensuring the development of quality record-keeping systems that meet the board’s business and legal needs, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the board’s RDA.

Permanent records in the board's custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.

Destruction of temporary records, as authorized in this RDA, should occur board-wide on a regular basis – for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA's provisions, no record should be destroyed that is necessary to comply with requirements of the Open Meetings Act, audit requirements, or any legal notice or subpoena.

The board should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the board chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

Electronic mail may contain permanent, temporary, or transitory record information. Although e-mail records can be printed, filed, and retained according to RDA’s requirements, the board

should preferably employ an electronic records management system capable of sorting e-mail into folders and archiving messages having long-term value.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of permanent records in the board's custody and inspect records destruction documentation. Government Services Division archivists are available to instruct board staff in RDA implementation and otherwise assist the board in implementing its records management program.

The State Records Commission adopted this records disposition authority on April 27, 2016.

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Steve Murray, Chairman  
State Records Commission

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Date

By signing below, the agency acknowledges receipt of the retention periods and requirements established by the records disposition authority.

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William L. Ashmore, Chief Executive Officer  
Local Government Health Insurance Board

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Date